eHealth Ontario

ANNUAL REPORT

Ontario
eHealth Ontario

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Our Mandate
from the Government of Ontario

- To provide ehealth services and related support for the effective and efficient planning, management and delivery of health care in Ontario.
- To develop ehealth services strategy and operational policy.
- To protect the privacy of individuals, whose personal information or personal health information is collected, transmitted, stored or exchanged by and through the agency, in accordance with the ***Freedom of Information and Protection of Privacy Act***, the ***Personal Health Information Protection Act, 2004*** and any other applicable law.

Chair's message

"A bend in the road is not the end of the road," so it is said, "unless you fail to make the turn." For eHealth Ontario, our journey continues ever more purposely as we focus on the future of improving health care in Ontario and achieving the provincial government's ehealth goals.

RAYMOND V. HESSION

Make no mistake. The board, management and staff members of eHealth Ontario are firmly focused on building and regaining the trust of the public and our stakeholder communities. That trust is key to our ongoing success.

As Chair, I can report with confidence that the recalibration of the agency and that rebuilding of the public's trust are well underway. Progress has been made in creating strong management and board teams to ensure eHealth Ontario stays on track.

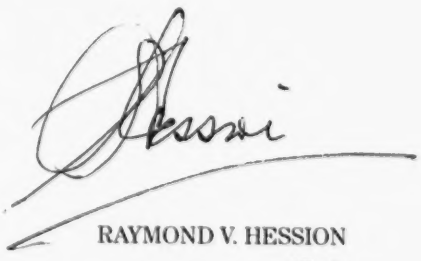
The controversy in early 2009 surrounding the governance and management of the agency spurred major changes within the organization: taking immediate action to control procurement, expenses and use of consultants.

This board and management remain vigilant in steering the agency toward fulfilling the government's goals. The board's approach to governance, new board committees, and the board's clinical, management and IT experience and expertise will be valuable contributors to the agency's future success.

As we move forward, I believe eHealth Ontario needs to be seen as a major asset in the province's health care system. We also need to be a disciplined and collaborative provider of our services and systems integration expertise. Delivering public value and actively engaging our stakeholders will be important measures we will pursue on an ongoing basis.

So, our eyes are firmly set on executing the government's ehealth strategy by emphasizing customer service, collaborative solutions, innovative development and delivery and 'best practices' corporate stewardship.

I would like to take this opportunity to sincerely thank my colleagues who are devoting their time and expertise serving as members of our board of directors. On behalf of the board, I want to acknowledge the prodigious efforts and commitment of the staff of eHealth Ontario.



RAYMOND V. HESSION
Chair

Management's Discussion & Analysis

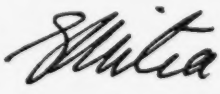
Management's Responsibility for Financial Information

Management and the board of directors are responsible for the financial statements and all other information presented in the Annual Report. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and, where appropriate, include amounts based on management's best estimates and judgment. Management is responsible for the integrity and objectivity of these financial statements. The financial information presented elsewhere in this Annual Report is consistent with that in the financial statements in all material respects.

eHealth Ontario is dedicated to the highest standards of integrity in its business. To safeguard the agency's assets and assure the reliability of financial information, the agency follows sound management practices and procedures, and maintains appropriate financial reporting systems and controls.

The board of directors ensures that management fulfills its responsibilities for financial information and internal controls. The financial statements have been reviewed by eHealth Ontario's Fi nce and Audit Committee and approved by the board of directors.

The financial statements have been examined by PricewaterhouseCoopers LLP, independent external auditors appointed by the board of directors. The external auditors' responsibility is to examine the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express their opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the Auditors' examination and opinion.



SANDIP MITRA
Chief Financial Officer

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) comments on the financial position and results of operations of eHealth Ontario (the agency) for the fiscal year ended March 31, 2010. This MD&A should be read in conjunction with the financial statements and accompanying notes, which have been prepared in accordance with Canadian generally accepted accounting principles. Management is responsible for the information presented in the Annual Report, which includes the MD&A.

On September 29, 2008, the Government of Ontario announced the launch of eHealth Ontario – combining the operations of Smart Systems for Health Agency (SSHA) and the e-Health Program Office of the Ministry of Health and Long-Term Care (the ministry). In January 2009, eHealth Ontario's board of directors approved a provincial eHealth Strategy with a mandate of playing a leading role in implementing information technology (IT) systems and innovation to improve patient care, safety and access with the end-goal of developing an Electronic Health Record (EHR) by 2015.

The financial statements contained within the Annual Report combine certain programs and strategies from the ministry's former eHealth Program Office with eHealth Ontario as of April 1, 2009.

Strengthening Internal Controls, Policies and Governance

In early FY2009/10, eHealth Ontario became the focal point for significant public discussion about the costs involved in implementing the government's ehealth agenda and the use of external consultants. The agency responded immediately to the concerns voiced by the public, news media and legislators. Since June 2009, the following changes were made:

Procurement

eHealth Ontario's board approved a new procurement policy in line with the Ontario government's revised procurement directive issued in mid-2009, and a new Delegation of Spending and Payment Authority policy was also implemented.

Quarterly procurement reports are reviewed by the board.

Use of Consultants

The agency reduced the number of consultants from 394 at April 1, 2009 to 99 as at March 31, 2010 and is committed to ensure reasonable use of consultants in the future.

Expense Controls

eHealth Ontario imposed spending discipline and a focus on projects meeting value-for-money criteria, reducing the spending level in 2009 by $147 million, from $504 million to $357 million.

In early 2009, the agency adopted a new Travel, Meal, Hospitality and Expenses policy. The agency's policy is compliant with the government's Travel, Meal, Hospitality and Expenses directive.

During FY2009/10, new legislation was passed under the Public Sector Expenses Review Act that requires the agency to submit certain expenses for review by the Office of the Integrity Commissioner of Ontario. Effective April 1, 2010, upon review by the Office of the Integrity Commissioner of Ontario, the agency will post the expenses of the board of directors and the agency's senior management on its web site.

Governance Controls

Additional safeguards introduced included new conflict of interest, code of conduct, whistleblower and risk management policies approved by the board in FY2009/10.

The agency began to develop an internal audit function to make recommendations on governance, risk management and compliance responsibilities.

Funding

eHealth Ontario receives all of its funding from the ministry. Under its establishing regulation as an operational services agency, it is prohibited from receiving funding from any other source. eHealth Ontario does not charge health care providers for any products or services.

As noted in the Statement of Operations and Fund Balance, and the Notes to the Financial Statements, funding for reporting purposes has been separated into Government and Capital Contributions. Capital contributions relate to purchase of property, equipment and software that are amortized over their useful lives. For FY2009/10, the amortized expenditure amounted to $10.5 million compared to $8.8 million the prior year.

To support eHealth Ontario's general operations and projects and programs (formerly part of the ministry's eHealth Program Office), the FY2009/10 committed funding increased by $137.4 million to $362.4 million from $225.0 million in FY2008/09.

The balance of funding over expenditures is repaid to the Consolidated Revenue Fund.

FY 2009-10 Expenditures

Set out in Table 1 below are the total expenditures, including capital spend incurred in FY2009/10. Expenditures were $357.3 million compared to $224.1 million in FY2008/09.

Table 1: Total Expenditures

	FY 2009/2010 ($ Millions)	FY 2008/2009 ($ Millions)
Clinical Priorities		
Diabetes Management	5.2	-
Medication Management	2.1	0.7
Wait Times	6.6	-
Cornerstone Information Systems		
Identity, Access & Privacy	18.8	4.7
Portal	3.6	-
Integration Services	11.4	-
Physician eHealth	52.3	-
Ontario Lab Information System	15.0	16.1
Clinical Actvity Information Systems		
DI/PACS	28.7	2.6
Panorama	19.0	3.7
Other Foundational Priorities		
Implementation & Adoption	13.4	-
Technology Services & Enabling Practices & Talent Management	181.2	196.3
Total Expenditures	**357.3**	**224.1**

The net increase in expenditures for FY2009/10 was $133.2 million. The increase of $101.7 million reflects planning and collaborating with external delivery partners for eHealth Ontario projects and programs related to the agency's eHealth Strategy, as well as new projects and programs in ongoing development at eHealth Ontario.

The Statement of Operations and Fund Balance (see excerpt in Table 2 below) reflects the total expenses, with the exception of total capital expenditures, in the year. It includes only the portion of capital amortized within the year.

Table 2: Expenses

	FY 2009/2010 ($ Millions)	FY 2008/2009 ($ Millions)
Expenses		
Network operations and management	80.8	72.4
Solutions development, delivery and support	194.6	63.8
Information technology operations	34.4	37.0
Privacy and security	3.1	2.6
Corporate services *	24.8	19.1
Transition cost	-	6.8
	337.7	201.8
Amortization	10.5	8.8
Total Expenses	**348.2**	**210.6**

* in FY2008/2009 Corporate services was recognised as general and administrative expenses

Network operations and management mainly related to the investment by eHealth Ontario in the development and maintenance of its secure private network for health care providers to access eHealth applications and costs associated with the network deployment to clients. Overall, expenditures in FY2009/10 represented an $8.4 million or 12 per cent increase to the $72.4 million incurred in FY2008/09. $6.5 million of the increase related to the addition of 345 new sites to the ONE® Network, and upgrades at 92 sites to accommodate new applications or improve network service levels, offset by network circuit rationalization/conversion and contract renegotiations. The remainder of the increase is related to the full-year impact of 935 sites added in FY2008/09.

Solutions development, delivery and support costs related to client software applications and eHealth Ontario products, in addition to planning and enabling external delivery partner costs to execute projects and programs. This $130.8 million increase included $103.0 million in transfer payment agreement payments to delivery partners to support the development and implementation of eHealth applications, such as the Physician eHealth Program in conjunction with OntarioMD to promote physician Electronic Medical Records adoption, and the Digital Imaging Picture Archiving and Communications Systems (DI/PACS) program that has funded the hosting of Ontario's digital imaging repositories. The remainder of the increase is related to the agency's costs to develop applications.

Information technology operations included costs relating to providing information technology services for eHealth products and services, and the agency's two data centres. The $2.6 million or 7 per cent decrease from the prior year was primarily due to completion of the Infrastructure Transformation Program to update data centre equipment and capacity in FY2008/09.

Privacy and Security protects the privacy, and safeguards the confidentiality and integrity, of personal health information held by eHealth Ontario, including applications developed and implemented by the agency. Privacy and security expenditures increased by $0.5 million in FY2009/10 compared to the previous fiscal year due to consulting resource costs to review the privacy and security function and support key eHealth Ontario projects, such as Client Registry and Provider Registry.

Corporate Services costs included resource and service costs for the agency (with the exception of legal, rent, recruitment and internal information technology costs allocated to programs and projects). The costs increased by $5.7 million in FY2009/10, compared to the prior year, due to: the inclusion of resources that were formerly part of the province's e-Health Program Office, such as standards and architecture and the development of capabilities in stakeholder relations and communications, strategic planning, internal audit and controllership.

Transition costs related to the transition from SSHA to eHealth Ontario, which was completed in FY2008/9.

Cash Flow and Financial Position

eHealth Ontario reported an increase in its cash position from operating activities of $14.5 million in FY2009/10 ($2.9 million in FY2008/09) due to the timing of ministry funding.

Capital spend in FY2009/10 was $19.6 million compared to $22.3 million in FY2008/09. The lower spend in the current year was due to a significant capital investment in upgrading the agency's data centres in the prior year.

Current-year capital investments included $7.4 million in computer hardware and $2.4 million in computer software. Also, during the year, a new policy to capitalize labour expenses resulted in the capitalization of $9.4 million in labour expenses. In addition, $0.2 million was expended on furniture and office equipment, and $0.2 million for leasehold improvements.

The main changes from the prior year statement of financial position are related to the timing of ministry cash flow funding.

Intangible assets (software) increased $7.1 million, primarily related to the capitalization of direct labour incurred in program development. As of April 1, 2009, eHealth Ontario began capitalizing labour as it related to the development and installation of computer software.

Summary

Throughout FY2009/10, eHealth Ontario remained focused on delivering its core products and services to the province's health care community and stakeholders, while managing its operations and projects within a stronger control environment and in alignment with government directives.

Our Board of Directors

The board of directors advises and oversees eHealth Ontario in fulfilling its vision, mission and mandate. Reporting to the Minister of Health and Long-Term Care, the board's goal is to ensure accountability for the agency's activities.

In 2009, the board underwent significant restructuring and renewal. The newly reconstituted board approved a revised and detailed mandate in September 2009. It calls upon board members to not only assume responsibility for stewardship of the agency and its management, but also oversight for key functional areas and activities, including: corporate and board governance; strategic planning; project management; financial management; risk management; human resources management; communications and reporting; and importantly, privacy and security.

2009-2010 eHealth Ontario Board Members

Board Member	Term(s)	Notes
Dr. Alan Hudson *(Chair)*	Sept. 25, 2008 to Sept. 25, 2009	Resigned Jun. 18, 2009
Heather Sherrard	Reappointment Sept. 29, 2009 to Sept. 28, 2012	
Matthew Anderson	Reappointment Sept. 29, 2009 to Sept. 28, 2012	
David Livingston	Reappointment Sept. 29, 2009 to Sept. 28, 2012	
Ken Deane	Reappointment Sept. 29, 2009 to Sept. 28, 2012	
Sarah Kramer	Feb. 25, 2009 to Mar. 4, 2010	Resigned Jun. 5, 2009
Lisa Lifshitz	Feb. 26, 2009 to Mar. 26, 2010	
Khalil Barsoum	Feb. 26, 2009 to Mar. 26, 2010	Resigned Sept. 24, 2009
Michael Decter	Feb. 26, 2009 to Mar. 26, 2010	Resigned Dec. 31, 2009
Geoffrey Smith	Mar. 13, 2009 to Apr. 13, 2010	Resigned Sept. 24, 2009
Carol Stephenson	May 14, 2009 to Jun. 12, 2010	
Susan Matthews	Dec. 9, 2009 to Jan. 9, 2011	
Rita Burak *(Chair)*	Jun. 18, 2009 to Dec. 14, 2009	
Raymond Hession *(Chair)*	Feb. 1, 2010 to Jan. 31, 2013	
Maureen O'Neil	Mar. 31, 2010 to Mar. 30, 2012	
Jean-Pierre Boisclair	Mar. 31, 2010 to Mar. 30, 2012	

Auditors' Report

June 24, 2010

Auditors' Report

To the Board of Directors of eHealth Ontario

We have audited the statement of financial position of eHealth Ontario (formerly Smart Systems for Health Agency) as at March 31, 2010 and the statements of operations and fund balance and cash flows for the year then ended. These financial statements are the responsibility of eHealth Ontario's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of eHealth Ontario as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

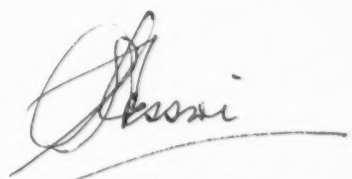
CHARTERED ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS

Statement of Financial Position

(in thousands of dollars)
As at March 31, 2010

	2010 $	2009 $
ASSETS		
Current assets		
Cash	20,794	6,852
Prepaid expenses	3,742	4,224
Interest receivable	19	-
Due from the Province of Ontario (note 3)	3,987	33,500
	28,542	44,576
Property and equipment (note 4)	19,645	17,679
Intangible assets (note 5)	17,086	9,935
	65,273	**72,190**
LIABILITIES		
Current liabilities		
Accounts payable	7,329	24,282
Accrued liabilities		
Operating	15,215	15,492
Property and equipment	842	4,206
	23,386	43,980
Deferred capital contributions (note 7)	36,731	27,614
	60,117	71,594
Fund Balance (note 6)	5,156	596
	65,273	**72,190**
Commitments (note 8)		

Approved by the board of directors



RAYMOND V. HESSION
Chair

Statement of Operations and Fund Balance

(in thousands of dollars)
For the year ended March 31, 2010

	2010 $	2009 $
FUNDING		
Government funding (note 3)	342,828	202,683
Amortization of deferred capital contributions (note 7)	10,501	8,808
	353,329	211,491
EXPENSES		
Network operations and management	80,840	72,412
Solutions development, delivery and support	194,590	63,784
Information technology operations	34,403	37,025
Privacy and security	3,101	2,637
Corporate services	24,738	19,085
Transition costs	-	6,825
	337,672	201,768
Amortization of property and equipment	5,772	5,155
Amortization of intangible assets	4,729	3,653
	348,173	210,576
Excess of funding over expenses for the year	5,156	915
Fund balance (deficit) - beginning of year	596	(319)
Repayment of prior year's surplus	(596)	-
Fund balance - end of year	**5,156**	**596**

Statement of Cash Flows

(in thousands of dollars)
For the year ended March 31, 2010

	2010 $	2009 $
Cash provided by (used in)		
Operating activities		
Excess of funding over expenses for the year	5,156	915
Items not affecting cash		
Amortization of deferred capital contributions (note 7)	(10,501)	(8,808)
Amortization of property and equipment	5,772	5,155
Amortization of intangible assets	4,729	3,653
	5,156	915
Change in non-cash working capital items		
Due from the Province of Ontario	29,513	(16,741)
Interest receivable	(19)	-
Prepaid expenses	482	(2,695)
Accounts payable	(16,953)	19,134
Accrued liabilities		
Operating	(277)	(1,238)
Property and equipment	(3,364)	3,546
	14,538	2,921
Investing activities		
Purchase of property and equipment	(7,738)	(13,981)
Purchase of intangible assets	(11,880)	(8,336)
	(19,618)	(22,317)
Financing activities		
Capital contributions received (note 7)	19,618	22,317
Reimbursement of prior year's surplus	(596)	-
	19,022	22,317
Increase in cash during the year	13,942	2,921
Cash - beginning of year	6,852	3,931
Cash - end of year	**20,794**	**6,852**

Notes to Financial Statements

(in thousands of dollars)
As at March 31, 2010

1 Nature of operations

On September 29, 2008, Smart Systems for Health Agency, a corporation without share capital, changed its name to eHealth Ontario under Ontario Regulation 43/02 (O. Reg. 43/02). Effective April 1, 2009, the e-Health Program Office transferred to eHealth Ontario.

eHealth Ontario is an operational service agency as defined by the Management Board of Cabinet Directives. Subsection 2(3) of O. Reg. 43/02 provides that eHealth Ontario is, for all its purposes, an agency of Her Majesty within the meaning of the Crown Agency Act and its powers may be exercised only as an agency of Her Majesty.Subsection 6(1) of O. Reg. 43/02 provides that the Board of Directors is composed of the members appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health and Long-Term Care. The Lieutenant-Governor in Council can appoint up to 12 members to eHealth Ontario's Board of Directors. Pursuant to subsection 7(1) of O. Reg. 43/02 and subject to any directions given by the Minister of Health and Long-Term Care under section 8, the affairs of eHealth Ontario are under the management and control of the Board of Directors. Subsection 9(1) of O. Reg. 43/02 provides that the Chief Executive Officer of eHealth Ontario be appointed by the Lieutenant-Governor in Council.

Subsection 10.1(1) of O. Reg. 43/02 requires eHealth Ontario and the Ministry of Health and Long-Term Care (the ministry) to enter into a memorandum of understanding (MOU). This MOU was executed on March 31, 2009.

The following are the objects of the agency:

a. to provide eHealth services and related support for the effective and efficient planning, management and delivery of health care in Ontario;

b. to develop eHealth services strategy and operational policy; and

c. to protect the privacy of individuals whose personal information or personal health information is collected, transmitted, stored or exchanged by and through eHealth Ontario, in accordance with the Freedom of Information and Protection of Privacy Act, the Personal Health Information Protection Act, 2004, and any other applicable law (O.Reg. 339/08, s.4).

eHealth Ontario is funded by the Province of Ontario through the ministry and operates on the same fiscal year as the Ontario government. As an agency of the ministry, eHealth Ontario is exempt from income taxes.

2 Summary of significant accounting policies

Changes in accounting policy

Recent amendments to CICA Handbook Section 4400, Financial Statement Presentation By Not-for-Profit Organizations, modified the requirements with respect to various elements of financial statement presentation. The new standards were applied to eHealth Ontario effective April 1, 2009 and there were no changes to eHealth Ontario's financial statements as a result.

Effective April 1, 2009, eHealth Ontario adopted CICA Section 3064, Goodwill and Intangible Assets, which establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. As a result of adopting this standard, eHealth Ontario has reclassified certain software costs from property and equipment to intangible assets. This standard has been applied retrospectively and affects presentation only. The following is a summary of the impacts of the adoption on the company balances:

	2009 $ (as previously reported)	2009 $ (as restated)
Statement of financial position		
Property and equipment	27,614	17,679
Intangible assets	-	9,935
Statement of operations and fund balances		
Amortization of property and equipment	8,808	5,155
Amortization of intangible assets	-	3,653
Statement of cash flows		
Purchase of property and equipment	22,317	13,981
Purchase of intangible assets	-	8,336

Funding

Government funding is recognized when received, or when receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

eHealth Ontario follows the deferral method of accounting for funding received. Contributions with respect to the purchase of property and equipment and intangible assets are deferred and recognized as funding in the year in which the amortization expense is recognized.

Financial instruments

eHealth Ontario's financial instruments consist of cash, interest receivable, due from the Province of Ontario, accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair value due to their short-term maturities.

eHealth Ontario's financial instruments are generally classified and measured as follows:

• Cash	held-for-trading
• Interest receivable	loans and receivables
• Due from the Province of Ontario	loans and receivables
• Accounts payable	other financial liabilities
• Accrued liabilities	other financial liabilities

Financial assets classified as held-for-trading are recorded at fair value at the statement of financial position date. Amounts classified as loans and receivables or other financial liabilities are accounted for at amortized cost.

Expense categories

Network operations and management include costs relating to the investment by eHealth Ontario in the development and maintenance of its secure, private network for health-care providers to access eHealth applications and costs associated with the network deployment to clients.

The solutions development, delivery and support category includes costs related to client software applications and eHealth Ontario products, in addition to planning and enabling external delivery partners to execute projects and programs.

The information technology operations category includes costs relating to providing information technology services for eHealth products and services, and eHealth Ontario's two data centres.

The privacy and security category includes costs related to protecting the privacy of and safeguarding the confidentiality and integrity of personal health information held by eHealth Ontario, including applications developed and implemented by eHealth Ontario.

The corporate services category includes costs relating to resources and services for eHealth Ontario with the exception of legal, rent, recruitment and internal information technology costs, which have been allocated to other expense categories.

The transition costs category includes costs relating to the transition from Smart Systems for Health Agency to eHealth Ontario, which was completed as of March 31, 2009.

Property and equipment

Property and equipment are recorded at cost, net of accumulated amortization. Amortization is provided on a straight-line basis, with only one-half of the amortization recorded in the year of purchase, over the estimated useful lives of the assets as follows:

• Computer hardware	3 to 5 years
• Furniture and office equipment	5 years
• Leasehold improvements	over the term of the respective leases

Property and equipment that no longer have any long-term service potential for eHealth Ontario are written down to residual value, if any. The excess of the carrying value over the residual value of such assets is recognized as amortization in the statement of operations and fund balance.

Intangible assets

Intangible assets are recorded at cost, net of accumulated amortization. Amortization is provided on a straight-line basis, with the amortization recorded in the month the asset is put into operation.

The useful lives of the assets are as follows:

• Computer software	3 to 5 years
• IT infrastructure or business application software	5 to 10 years

As of April 1, 2009, eHealth Ontario began capitalizing labour as it related to the development and installation of computer software and IT infrastructure or business application software. This new accounting policy was applied prospectively as the information related to prior years was not readily available.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of funding and expenses during the reporting period. Actual results could differ from those estimates.

3 Government funding

eHealth Ontario obtained a funding commitment of $362,446 (2009 - $225,000) from the ministry, of which $3,987 (2009 - $33,500) was collected subsequent to year-end. This funding was accounted for in accordance with eHealth Ontario's accounting policies as follows:

	2010 $	2009 $
Committed funding	259,407	223,700
Transfer payment funding	103,039	1,300
Total funding	362,446	225,000
Amounts received for property and equipment	(19,618)	(22,317)
	342,828	202,683

4 Property and equipment

	Cost $	Accumulated amortization $	2010 Net $
Computer hardware	55,723	38,762	16,961
Furniture and office equipment	4,190	2,613	1,577
Leasehold improvements	3,490	2,383	1,107
	63,403	43,758	19,645

	Cost $	Accumulated amortization $	2009 Net $
Computer hardware	48,357	34,312	14,045
Furniture and office equipment	3,973	2,097	1,876
Leasehold improvements	3,335	1,577	1,758
	55,665	37,986	17,679

There are assets included in property and equipment that have been purchased and not placed into use and therefore have not been amortized for the year. The net book value of computer hardware not in use is $2,158 (2009 - $6,478).

In the current year, certain computer hardware no longer in use with a net book value of $80 (2009 - $198) was written off as amortization.

5 Intangible assets

	Cost $	Accumulated amortization $	2010 Net $
Computer software	30,427	22,782	7,645
Work-in-process	9,441	-	9,441
	39,868	22,782	17,086

	Cost $	Accumulated amortization $	2009 Net $
Computer software	27,988	18,053	9,935

There are assets included in intangible assets that have been purchased and not placed into use and therefore have not been amortized for the year. The net book value of computer software not in use is $838 (2009 - $2,812).

6 Managing the fund balance

eHealth Ontario receives all of its funding from the Ministry. Any surplus balance must be repaid in the following fiscal year. Any deficit balance reduces the funding allocation in the following fiscal year.

7 Deferred capital contributions

	2010 $	2009 $
Balance - beginning of year	27,614	14,105
Property and equipment and intangible contributions received	19,618	22,317
Amortization	(10,501)	(8,808)
Balance - end of year	36,731	27,614

8 Commitments

eHealth Ontario has various contractual commitments. The commitments are for services and space relating to the highly secure data centres that are utilized to host the eHealth Ontario ONE® suite of products and services and other initiatives and to host client applications. Payments required on these commitments are as follows:

	$
2011	83,192
2012	89,233
2013	55,831
2014	25,537
2015	-
	253,793

d. Ontario Realty Corporation, a Crown Corporation of the Province of Ontario, holds leases on the office space occupied by eHealth Ontario. eHealth Ontario is responsible for all the operating lease payments. The payments required to the date of expiry are as follows:

	$
2011	5,200
2012	2,710
2013	1,412
2014	792
2015	629
2016 and beyond	366
	11,109

e. eHealth Ontario has entered into a multi-year contractual agreement with IBM Canada Ltd. to provide information technology services. Payments are expected to be $5,280 in fiscal 2011.

9 Employee benefits

eHealth Ontario has a defined contribution pension plan for its employees. eHealth Ontario's contributions to this plan during the year amounted to $2,427 (2009 - $2,141).

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